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October 20, 1994

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

## **BY MESSENGER**

William Kennard, Esquire General Counsel Federal Communications Commission Office of the General Counsel 1919 M Street, N.W. Room 614 Washington, D.C. 20554

Re: PP Docket No. 93-253; A and B Block Auctions for Broadband Personal Communications Services

Dear Mr. Kennard:

This letter is written on behalf of Bell Atlantic Personal Communications, Inc. ("Bell Atlantic") and relates to the filing and eligibility requirements governing the Commission's upcoming auction of 99 Major Trading Area licenses to provide broadband Personal Communications Services ("PCS") on frequency blocks A and B. In particular, we have discussed a number of interpretive questions involving the short-form filing requirements set forth in Sections 1.2105 and 24.705 of the Commission's rules, including the anti-collusion rules set forth in Section 1.2105(c).

As you are aware, many potential bidders have formed or are in the process of forming entities to bid in the Block A and Block B PCS auctions scheduled to begin on

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December 5, 1994. Prospective bidders' short-form applications (FCC Form 175) are due at the Commission on October 28, 1994. However, despite the best efforts of the parties involved, it is possible, and indeed likely, that joint venture agreements and other formal arrangements may not be finalized by October 28. It is also possible that, in some cases, entities which have tentatively been formed may need to be restructured after the October 28 filing date. We therefore discussed with you an approach, outlined below, which is responsive to this situation, and which appears to comply fully with the Commission's auction and PCS rules.

Our example assumes a three-party consortium comprised of three entities (individuals, partnerships, or corporations) designated A, B, and C. A, B and C will each file separate, individual applications for all Block A and Block B PCS markets for which they are eligible. In addition, a separate consortium entity owned jointly by A, B, and C, ABCCo, will itself apply separately for Block A and Block B licenses for all of the markets for which it is eligible (some number of which may also have been applied for by A, B and C in their individual capacities). A, B and C will each pay the upfront payments required of them as individual bidders, and they will disclose fully the identity and relevant documents relating to ABCCo, as well as any other parties (if any) with whom they have entered into agreements or arrangements relating to the licenses being auctioned. ABCCo will submit a separate upfront payment, and its application will similarly disclose the same agreements and understandings as the applications of A, B and C.

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Based on the above, we would appreciate your views on the following

questions:

1. Is the scenario described above, which contemplates multiple applications filed by A, B, and C individually and also by ABCCo as an entity jointly owned by A, B, and C, permissible under the Commission's rules?

2. If the answer to question 1 is yes, is there any limitation on the kinds or scope of communications or information which can be shared among A, B and C. Does Section 1.1205(c) impose any limitations in the above situation?

3. After October 28 and before the auction, and/or continuing throughout the course of the auction, are there any limitations on changing the ownership of ABCCo? Given the fact that A, B, and C will each have filed separate, individual applications, and also given that ABCCo will have also have filed as an independent entity, are there any transfer of control limitations affecting ownership of ABCCo?

4. Are we correct that if A, B and C choose to bid through ABCCo (which will submit its own upfront payment) and A, B, and C each choose not to bid individually and thus do not win any licenses individually, that A, B and C will each get their individual upfront payments back?

We believe that the above proposal, which makes full disclosure of all agreements and arrangements, pays all upfront filing fees, and maximizes participation in the auction, is in the public interest and complies fully with the Commission's rules.

We thank you for your time and would appreciate your confirmation of the above or any other thoughts as quickly as possible.

Very truly yours,

Gary M. Epstein James H. Barker

Counsel for Bell Atlantic

Personal Communications, Inc.

cc: James Olson, Esq.